

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2001-139

March 14, 2001

MAINE ELECTRIC POWER COMPANY  
Request for Approval of Affiliated  
Interest Transaction for Extension of  
The Term of a Contract with Chester  
SVC Partnership

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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By this Order, we approve an affiliated transaction between Maine Electric Power Company, Inc. (MEPCO) and Chester SVC Partnership (Chester).

On February 22, 2001, pursuant to 35-A M.R.S.A. § 707, MEPCO filed an application for approval of a 5-year extension of the Chester SVC Partnership Basic Operating Agreement (Operating Agreement) between MEPCO and Chester. MEPCO is a Maine corporation owned by Central Maine Power Company (CMP) (78.3%), Bangor Hydro-Electric Company (BHE) (14.2%) and Maine Public Service Company (MPS) (7.5%). MEPCO owns and operates a 345kV transmission line from Orient, Maine at the New Brunswick border to Wiscasset, Maine.

Chester is a Maine general partnership owned by NORVARCO (50%) and Bangor Var Co., Inc. (50%). NORVARCO is a wholly-owned subsidiary of CMP. Bangor Var Co., Inc. is a wholly-owned subsidiary of BHE. Chester owns the static var compensator (SVC) facility that is adjacent to the MEPCO transmission line in Chester, Maine.

Because MEPCO and Chester are affiliates, the Operating Agreement requires Commission approval pursuant to 35-A M.R.S.A. § 707. In approving an affiliated transaction under 35-A M.R.S.A. § 707(3), the Commission must find that the contract is not adverse to the public interest. The Operating Agreement provides for the operation of the Chester SVC facility by MEPCO and reimbursement to MEPCO for its services. The Operating Agreement between MEPCO and Chester is merely an extension of the 1990 agreement already approved by the Commission.<sup>1</sup> By terms of the 1990 agreement, MEPCO and Chester were authorized to extend the agreement for the 5-year extension now before us. Through inadvertence, MEPCO and Chester allowed the 1990 agreement to lapse without an extension to 2005. The Operating Agreement remains not adverse to the public interest. Accordingly, we approve the 5-year

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<sup>1</sup> In Docket No. 90-100, the Commission approved the formation of Chester, NORVARCO and Bangor Var Co., Inc., as well as the affiliated transaction between MEPCO and Chester.

extension of the Chester SVC Partnership Basic Operating Agreement, effective as of July 1, 2001.

Dated at Augusta, Maine, this 14th day of March, 2001.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:

Welch  
Nugent  
Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.